

## REMARKS

Reconsideration and further examination is respectfully requested. Applicant amends the claims to more particularly point out and distinctly claim the subject matter of the invention as set forth below.

The Examiner objects to the use of the term “predetermined” in claims 1 and 4, as an indefinite relative term. Applicant respectfully disagrees. The term poses no great interpretative challenge. First, the term “predetermined” is not a relative term, according to standard dictionary definitions it means “determined ahead of time, decided before hand.” Thus, in context of the claim the term simply means that the value of the card is selected or decided upon before the card is used. Thus, the term is defined in terms of a specific point in time, and is not relative. This interpretation is supported by the specification (see, page 9, lines 1-13). The phrase “predetermined denominational value” may be a relative but that relates to the value of the card not to whether the value is predetermined. Certainly, there is nothing vague about the fact that the claim does not define a precise monetary value for the card.

Applicant amends the claims to distinguish the payment for the card from the payment for goods and services purchased from a merchant with the card, by referring to the latter as a transactional payment.

Applicant amends claim 1 to correct a typographical error by clarifying that the transaction is between the merchant and the consumer.

With regards to claim 3, Applicant clarifies that the additional step occurs between the two steps identified in claim 1.

With regard to claim 4, Applicant amends the claim to clarify the steps of the transfer.

With regard to the rejection of the claims under 35 U.S.C. 103(a), Applicant submits herewith an antedating declaration establishing that the date of invention is prior to the effective date of the Southworth reference. In particular, the invention was invented at least as early as July 26, 1999. The Southworth article is dated November 26, 2000, and thus is prior art under 25 U.S.C 102(a) as the date of the present application is July 19, 2001.

Applicants have made a diligent effort to place the claims in condition for allowance. However, should there remain unresolved issues that require adverse action, it is respectfully requested that the Examiner telephone Daniel A. Rosenberg, Applicants' Attorney at 515-288-2500 so that such issues may be resolved as expeditiously as possible.

For these reasons, and in view of the above amendments, this application is now considered to be in condition for allowance and such action is earnestly solicited.

Respectfully Submitted,

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Date

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